Review of Electricity Act, 2003

*129. SHRIMATI JAMANA DEVI BARUPAL:
DR. T. SUBBARAMI REDDY:

Will the Minister of POWER be pleased to state:

(a) whether Government have decided that State Governments will have to bear the cost of providing subsidies to State Electricity Boards and to different sections of consumers from their respective budgets;

(b) whether in this regard Government are considering to have a review of Electricity Act, 2003; and

(c) if so, what other measures are being considered and by when they are likely to be announced?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) Section 65 of the Electricity Act, 2003 provides that if a State Government wants to give subsidy to any consumer or class of consumers, it has to compensate the licensee/utility by paying the amount of subsidy in the manner as directed by the State Electricity Regulatory Commission.

(b) There is no proposal to amend the Electricity Act in this regard.

(c) Does not arise.

Modernisation of Indian Army

*130. SHRI EKANATH K. THAKUR: Will the Minister of DEFENCE be pleased to state:

(a) whether Indian Army propose to step up its massive modernization drive to enhance the 'Combat potential' of its soldiers;

(b) if so, whether any study to update the army with new equipment has been carried out; and

(c) by when the Indian Army is likely to be fully equipped with state-of-the-art technology?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (c) Modernisation of the Army is an on-going process based on imperatives of national security, analysis of threat perception and a response thereto.

A holistic study for the modernization of the Army has been carried out based on prevailing and anticipated threats to the national security.

This has been projected in the form of Army's Long Term Perspective Plan covering the period upto 31st March, 2017.

The issue of Modernization of the Army is addressed comprehensively in the Long Term Perspective Plan. Every Army in the world has a balanced mix of technologies, ranging from state-of-the-art, to those being phased out. The Indian Army too, depending upon its requirement is supplied with armaments and equipment accordingly.

Tax and cess in textiles industry

†*131. SHRI RAVI SHANKAR PRASAD: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that tax and cess is being charged at different levels in textile industry in the country;

(b) if so, the levels at which this tax or cess is charged alongwith the amount thereof;

(c) whether there has been any decrease or increase in the rates of said tax or cess during the last three years;

(d) if so, what changes have been made in the rates and when they were made; and

(e) the average annual amount charged as tax and cess from textile industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) Till 8.7.2004, the Central Excise Duty was levied at different levels, *i.e.* fibres, yarns, fabrics, made-ups, garments, etc. with CENVAT credit facilities available at all levels. However, as per the Budget 2004-05 presented in the Parliament on 8.7.04, the duty structure of textiles has been completely revised. The CENVAT Scheme for textiles has been made optional and there will be mandatory duty only on man-made fibres/yarns (*i.e.* 24% on Polyester Filament Yarn (PFY) including textured yarn and 16% on all other filament yarns and man-made fibres). Except for these duties other textile goods will be fully exempt if no credit of duties is taken under the CENVAT Credit Rules. For those opting to pay the duty and thereby avail of duty credit, the applicable rates of duty will be 4% for cotton textile items *(i.e.,* yarns, fabrics, garments and made-ups) and 8% for other textile items including yarn, fabrics, garments, and made-ups.

† Original notice of the question was received in Hindi.